

## GENERAL SERVICES DIVISION

# UPDATE UPDATE

The quarterly newsletter of the General Services Division

Montana Department of Administration • Website address: <http://www.discoveringmontana.com/doa/gsd>

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### PROCUREMENT NEWS AND NOTES

**Update on One Stop Shopping for Vendors.** Effective January 1, 2003, vendors will be able to view, in one website location, the large majority of solicitations issued under the Montana Procurement Act instead of going to a multitude of individual agency websites. The State Procurement Bureau, the Level Two Delegation Agencies (MDT, DPHHS, DEQ and DNRC), and a few other state agencies will all have solicitations posted at this site. View the site online at: <http://www.discoveringmontana.com/doa/gsd/osbs/solhome.asp>. Set up and training for the site is easy. The State Procurement Bureau will shortly be contacting Level One Delegation Agencies and the University System campuses regarding posting their solicitations on the site as well.

**Vendor Requests for Exceptions to Standard Terms and Conditions.** In the last issue of *GSD Update*, we stated we had recently been receiving numerous inquiries from the business community into a vendor's ability to negotiate the State's standard terms and conditions (hold harmless clause, insurance requirements, venue, intellectual property, etc.). After attending the recent Western States Contracting Alliance (WSCA) meeting and talking to agency legal counsel from several western states, it is apparent that the issue is affecting state procurement offices nationwide.

The State Procurement Bureau (SPB) is revising language in the Model RFP to require that all requests for exceptions must be in a proposal or bid before the due date and will be reviewed on a case-by-case basis. This will help prevent the situations where we find ourselves unable to sign a contract with a top scoring offeror because of their last minute objections to our standard requirements that we can't agree to.

In addition, SPB will require that all requests for exceptions by vendors to our standard requirements either be: (1) approved by SPB, or (2) approved in writing by agency legal counsel.

The State's standard statements for procurement contracts are based on statutory requirements, language crafted by Brett Dahl, the State's Risk Manager, or by rule or policy of the Department of Administration. While recognizing that there are circumstances where we have to be somewhat flexible in order to meet the demands of the market, there will be instances where it will not be in the State's best interest to accept requests for exceptions to our standard statement requirements. Agency legal counsel are encouraged to contact Brett Dahl at 444-3687, or Sheryl Olson, Deputy Administrator of the General Services Division, at 444-3315 if assistance is needed in reviewing the requests for exceptions.

**Insurance and Surety Bond Requirements.** Just a reminder that the State Procurement Bureau requires that all insurance and surety bonds accepted under the Montana Procurement Act have a rating of at least A- from the A.M. Best Company. The State Auditor's Office has a website link to Best's ratings that you can connect to at: <http://www.ambest.com/> or you can contact Cheryl Donovan at 444-4517 or Dee Glowacki at 444-4515 to verify this rating with the State Auditor's Office.

**PeopleSoft PO Module Functionality Changes.** The implementation of the 8.4 PeopleSoft upgrade scheduled for Fall 2003 will bring changes to the PO module. Effective July 1, 2003, (FY04), there will be viewing capabilities only for the Requisition and RFQ functions. The "Purchase Order to Payment" functionalities, however, will still be available. This functionality includes entering and

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dispatching purchase orders, creating change orders and cancellations, encumbering funds and issuing payments to vendors (PO Vouchers). In addition, the ability to search for vendors by quote groups will still be available through on-line queries. If you have any questions on the upcoming 8.4 upgrade changes to the PO module, contact Bonny Belling, State Procurement Bureau, at [bbelling@state.mt.us](mailto:bbelling@state.mt.us).

**Performance Survey.** The State Procurement Bureau recently distributed an on-line survey to the Purchasing List Serve. The purpose was to solicit feedback and comments regarding how our program is functioning and whether improvements can be made. This is a technique we intend to use twice yearly. Surveys were also sent out for the Facilities Management Bureau, Print and Mail Services, Central Stores and Surplus Property. Thanks for taking the time to complete the surveys!

**Legislation.** As we go to print, several bills have been requested by legislators that would affect GSD. As the bills get introduced, we will be including those in our newsletter. No bills have been requested by this division. For more information on legislation affecting procurement issues or facilities, contact Sheryl Olson at 444-3315.

All of the 2003 bill drafting requests and bills and their status can be viewed at the Legislative Services website at:  
[http://laws.leg.state.mt.us/pls/laws03/LAW0200W\\$.startup](http://laws.leg.state.mt.us/pls/laws03/LAW0200W$.startup)

#### PURCHASING CARD

**Help Is On the Way!** Shelley Haslip has assumed the duties of Paris IT support administrator. If you have any system or access problems with Paris, please contact Shelley at 444-3129 or [shaslip@state.mt.us](mailto:shaslip@state.mt.us).

**Speeding Things Up.** For those agencies that enjoy the ease and convenience of minicoding, SABHRS speedchart functionality is now available for use in Paris. If your agency relies on speedcharts and you are interested in utilizing these shortcuts, please contact Shelley Haslip for guidelines and invaluable instruction.

#### PUBLIC VEHICLE FUELING

**New Cards.** Agencies should be in receipt of renewal fueling cards from Wright Express (WEX). The new cards, which are active immediately, have embossing that states "Good Thru 01/06", replacing the cards that bore an expiration date of 01/03. If you have not received your updated WEX cards, please contact your fleet manager or Tom Gustin at 444-3312 or [tgustin@state.mt.us](mailto:tgustin@state.mt.us)

#### You Asked!

1. Can SPB develop a class on best practices for using the internet for researching product specifications and vendors? Brad Sanders is checking with ITSD on whether such a class can be developed.
2. Are there websites available for comparison shopping? Karen Tobel, MDT, recommends the following websites: <http://www.pricegrabbers.com> and <http://www.buybuddy.com>. Karen says to watch the terms closely for things like added shipping costs and warranty.
3. Can SPB maintain a repository of information regarding contractor past performance, i.e., was the project completed on time and within budget? SPB is looking at including this option as part of the Contract Administration Handbook and training course being developed in 2003.
4. The insurance language in the Model RFP is confusing. How can I understand it better? SPB recommends that you attend the Risk Management and Tort Defense Division's class on "Reducing Risk Exposure in Contracts" which is presented yearly in December. If you missed the class, access their publications online at the following website address: <http://www.discoveringmontana.com/doa/rmtd/css/09publications/holdharmlessprovisions.asp>.

#### THINK ABOUT IT

*"Vision without action is a day dream.  
Action without vision is a nightmare."*

*Japanese proverb*

## PRINT AND MAIL SERVICES NEWS AND NOTES

**Available Services.** Print and Mail Services offers a variety of services that can assist agencies in completing their projects. We'd like the opportunity to visit with you and/or provide printing and mailing training for your office staff. We can prepare information sessions on designing, printing, addressing, and mailing specific to your questions and needs. If you are concerned about the costs involved with reaching your customers, we can make suggestions that will possibly help bring your costs down.

Following is a list of some of the services we provide. If you would like more information on these topics or any other topics, please call us at 444-3053.

- Completing the print request form and how to transmit your order to our facilities.
- Design work for your printed products (preparing your own files for printing or having our desktop designer prepare your files).
- Printing vs. photocopying options.
- Finishing work such as specialty binding or mail preparation.
- Addressing materials for mailing (preparing address files).
- Inserting materials into envelopes for mailing.
- Post Office requirements for specific types of mail.
- Designing mailers to receive the best discounts on postage.
- Determining your cost per copy photocopier needs.

**Photocopy Pool and "Energy Star" Feature.** The new photocopy pool copiers have an energy saving feature that significantly reduces the amount of energy used by the photocopier when not in use. When activated, the energy save feature shuts the machine down, but not off. When you want to make a copy, the machine immediately re-activates in approximately 5 to 30 seconds depending on what level copier you have and how long that copier has been sitting idle. To ensure compliance with Governor Martz's Executive Order 03-01 directing that

energy conservation measures be taken in state buildings, this energy save feature will be activated in all the photocopy pool copiers within the next month. If you have questions on this feature, please contact the key operator for your copier.

## SURPLUS PROPERTY NEWS AND NOTES

**Clean Those Closets!** Winter is often a slower season for the Surplus Property program which means that if you want to clean out those closets and get rid of that surplus property, we can get it picked up faster. Give Mark Athearn a call at 495-6016 to arrange a pick up.

### MDT Buys Fuel Efficient Vehicles

Jim Richman, Chief of the Montana Department of Transportation's Equipment Bureau, recently learned the State of Arizona was showing significant savings in operational costs through the use of hybrid vehicles in its motor pool fleet. Hybrid vehicles not only help the environment, but also offer great fuel economy. Mr. Richman felt it would be to MDT's advantage to try a couple of these units in its Motor Pool fleet, especially since fuel prices have been so volatile. In the spring of 2002, two Toyota Prius vehicles were purchased and made available in the Motor Pool daily fleet. The units have been very well received. MDT recently purchased two Honda Civic Hybrid vehicles to add to the fleet. MDT will continue to gather history on how these units work during the winter, spring, summer and fall seasons. So far, Motor Pool users have exhibited a positive attitude concerning the vehicles because drivers like the ease of going on a trip and not having to find a fueling station. Cheryl Richman, an MDT fiscal officer, states, "I took one of the units down to the Yellowstone area and back and still had plenty of fuel left. I averaged about 46 miles/gallon. It was nice not to have to worry so much about fueling." MDT encourages the use of these vehicles and encourages any driver feedback, positive or negative, regarding these vehicles. The State Procurement Bureau applauds MDT's decision to add energy efficient vehicles to its Motor Pool fleet! Contact Devin Garrity at the SPB at 444-3320 for more information on how to purchase hybrid vehicles.

## QUESTION OF THE QUARTER

**"Why doesn't the contract security bond form include a provision that it will be valid for 60 days past contract expiration like the contract security letter of credit form does?"**

A letter of credit is basically a loan agreement that a bank will set up with a qualified business and has a specific expiration date. We added the 60-day requirement to ensure that an agency would have a period of time after a contract may have expired to discover that something was wrong with the contract – such as learning that a contractor had not paid all of its suppliers or workers. The agency can then file a claim against the contract security to be sure everyone gets paid for work on a state contract. In contrast, a surety bond is more like an insurance policy which remains in effect until the "contract is faithfully performed and all workers, suppliers, etc., have been paid." For instance, surety bonds cover 100% of the value of the contract even if the State only required "25% of the contract value."

## TERM CONTRACT UPDATES

**Rental Car Rates Term Contract.** The new contract for Rental Car Rates (SPB03-683D) is effective January 1, 2003. It is a multi-vendor contract that was established at the request of the Montana Department of Transportation as a convenience when no motor pool vehicles are available. The majority of vendors have locations throughout Montana. To view the contract, visit the SPB website at: <http://www.discoveringmontana.com/doa/gsd/css/Resources/TermContracts.asp>.

**Are You Getting the Most From Your Cellular Plan?** With the recent awards for statewide cellular service, agencies now have the ability to choose the plan that best meets their needs. Both companies, Cellular One and Verizon Wireless, have similar rate/minutes plans, although depending on use, some pooling plans may be more cost effective. Pooling is the ability to share minutes between all agency phones, helping to eliminate overage cost and taking advantage of all the minutes purchased. In some cases, agencies

are able to take advantage of all their minutes purchased throughout the state (cross-market billing). Aggregation of minutes also provides one bill offering the option of coding each cellular phone to a Responsibility Center, which saves time and eliminates confusion for AP. We encourage agencies to re-examine their plans to see if cost saving can be achieved by taking advantage of these pooling plans. Both contractors can provide analysis of your cellular usage to assist with these decisions.

## ON THE LEGAL FRONT

The latest legal developments include a new protest concerning the MIS Services contract. It concerns the State's ability to issue "as needed, if needed" type contracts and the adequacy of our evaluation factors. This case is proceeding to a contested case hearing sometime in the spring of 2003.

The other pending protest, concerning a 1999 SPB rejection of a late proposal, has not been set for trial.

Agency attorneys please see the article entitled "Vendor Requests for Exceptions to Standard Terms and Conditions" in the Procurement News and Notes portion of this newsletter. It concerns requests for exceptions to the Standard Terms and Conditions. DOA is asking that any requests for exceptions to the State's Standard T&Cs be approved by either the State Procurement Bureau or by the agency legal counsel.

## PURCHASING USERS GROUP

The next meeting of the Purchasing Users Group will be Thursday, February 20, 2003, from 1 p.m. to 4 p.m. in the Public Health and Human Services Auditorium, 111 North Sanders in Helena.

## ABOUT THIS NEWSLETTER

"GSD Update" is published quarterly by the General Services Division of the Montana Department of Administration. For more information, or to get on the mailing list, contact us at (406) 444-2575. Our address is: P.O. Box 200135, Helena, MT 59620-0135. Fax number: (406) 444-2529. Website address: [www.discoveringmontana.com/doa/gsd](http://www.discoveringmontana.com/doa/gsd).